

~~SECRET~~

OGC HAS REVIEWED.

26 August 1955

MEMORANDUM FOR: CHIEF, FINANCE DIVISION

SUBJECT : Dual Compensation - [REDACTED] 25X1A9a

REFERENCE : Memorandum, same Subject, dated 16 March 1955

1. Confirming my phone conversation with the Deputy Chief, Finance, this is to advise that I am being transferred overseas and will be placed on the Unvouched Payroll effective 28 August 1955. I therefore desire that deductions, as set forth in the schedule which is part of referenced memorandum, be made automatically from my Headquarters allotment. This memorandum may be considered as my authorization for you to commence these deductions, as scheduled.

2. My last personal payment will be made to Finance Division on this date, 26 August 1955.

3. Inasmuch as I have already paid Federal Income Tax on the entire amount of dual compensation involved, it will become necessary for me to adjust my Income Tax Returns from year to year, reflecting the amounts reimbursed to the US Government during the calendar year, in order to avoid paying tax twice on the same sums. As you are aware, applicable Comptroller General rulings call for reimbursement to be made on a gross basis, with no consideration of any withholdings, tax or otherwise, hence the necessary adjustment for tax purposes. This means I will require annually a certification (I would presume from your Division or General Counsel) setting forth the sum I have reimbursed to the US Government during the tax year. The exact form of this certification I will leave with you, but obviously there is a question of security involved as the certificate should become part of my tax return.

4. As an afterthought regarding the point raised in paragraph 3, General Counsel must have had some previous experience in this regard and may have at hand some easy solution to accomplish this without undue disclosure of my true employer. I would suggest their being queried. I am departing for my overseas destination O/A 1 October 1955 and would appreciate being advised of effective arrangements prior to that date.

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